3: Leyburn Z-4, 5 (no date) 1966
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the still weak United States, France—the traditional enemy of Haitians, and moribund Spain, who was in fact shortly to lose most of her empire in the New World. Since he did not mean to drive his people to work, he resolved to exploit to the full the benefits of foreign trade in the hope that profits from exports would stimulate production. As for allies, he cultivated the friendship of the United States, but also sought to wean British merchants from the Northern ports. To this end, although he levied duties of twelve per cent on goods of other nations, he reduced duties on English goods to five per cent.[9]

Pétion, content to govern without an impressive court, gave the greatest encouragement possible to trade; he sheared expenses and managed to balance his budget. In 1818, for example, his revenues were $2,646,000 and his expenses $2,144,000, giving the republic a respectable surplus of $502,000.

Because Boyer was Pétion's disciple he followed in his predecessor's footsteps, thus fixing in his quarter-century administration the pattern of foreign trade under a tariff system. The Haitian élite seem never to have taken to commercial enterprise, nor has the country ever developed an economist even of fifth rank. Haitian thought, so eloquently articulate along political lines, has simply never turned its attention in any solid and serious way to economic problems. Nearly the whole of the foreign commerce of the republic from the earliest days was conducted by foreign merchants resident in Haiti. This was partly because the credit of the Haitians was not so generally established as to inspire confidence, but mostly it was due to lack of interest of the people in foreign trade.

In the eighteenth century Saint-Domingue had been almost the only colony producing such tropical products as sugar and coffee on a large scale; the absence of effective competition accounted for most of the prosperity of the French colony. In the nineteenth century, however, competition developed rapidly; and at this very time the laws and court decisions of Haiti began to hamper the business of the foreign merchants dealing there. By Article 21 of Boyer's Law of Patents, all persons engaging in any trade or profession except that of cultivation of the soil must be provided with a license or patent; all foreigners admitted as merchants into the republic must first secure the president's permission to acquire a patent; and when

9 See the Arrêté of October 13, 1814.

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175 If contemporary testimony can be credited, the complete indifference of the Haitian élite to business was matched by their ignorance of finance when this was anything more complicated than cash payment transactions or face-to-face exchange. They seem to have been wholly unfamiliar with the uses of commercial paper, the meaning of overdrafts, or bills of exchange. Individual credit was not understood, nor was a signature enough to start a flow of business. As one person from France put it in 1846, "It takes 10,000 francs of money to do 10,000 francs of business."[14] If a merchant doing a good business found his purse empty and needed only to borrow in order to purchase other goods, that circumstance offered to his mind "a redoubtable extremity enveloped in profound mystery; and it is a rule of loyalty and of honor to which Haitian commerce is never false, that the paper on which a man has placed his signature should remain, until the day the loan is paid back, impenetrably shut up in the portfolio of the lender."

Interest, if money could be borrowed at all, was at the rate of one per cent a day, three per cent a month, and from sixteen per cent to twenty per cent a year. Thus letters of credit and promissory notes never moved the slightest business transaction in the country. To seek credit was to confess one's financial embarrassment.

175 The economic ills which harassed Haiti under Boyer were, to a greater or less degree, the same that bedeviled the country for the rest of the century. It seems worth while to list them, for they reveal the mentality of the ruling clique and caste—a mentality which could see no reason for altering of these basic matters, and which during administration after administration devoted itself to superficialities. Haiti's weaknesses were not entirely due to folly and clumsiness, however, but to a perfectly natural ignorance. There was no background for economic thinking: how should ex-slaves with a handful of old freedmen be familiar with credit, banking, overdrafts, and the like? Even education in France would not necessarily offer enlightenment on these matters. "Culture" meant literature, not economics.

These, then, have been the major economic defects of Haiti, 1806 to 1915, due partly to ineptitude, partly to imperfect education:

175 1. The exclusion of all foreign or white investment, industry, and capital. One article in every constitution was given over to this

14. R. Lepelletier de Saint-Remy, *Saint-Domingue*, II, 187.